

April 29, 2026

Satin Finserv Limited: Rating upgrade for two PTCs issued under secured business loan securitisation transactions

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Butterfly 12 2024	Series A1(a) PTCs	16.90	NA	1.17	[ICRA]AA(SO); Upgraded from [ICRA]AA-(SO)
	Series A1(b) PTCs	1.88	NA	1.88	[ICRA]AA-(SO); Upgraded from [ICRA]A+(SO)
Bluestreak 12 2024	Series A1 PTC	25.99	NA	8.71	[ICRA]A+(SO); Upgraded from [ICRA]A(SO)

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by secured business loan receivables originated by Satin Finserv Limited {SFL/Originator; rated [ICRA]A-(Stable)}. SFL is also the servicer for the transaction

The ratings upgrade factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation and low expected balance tenor of the PTCs. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed as on March 2026 payout month.

Pool performance summary

Parameter	Butterfly 12 2024	Bluestreak 12 2024
Payout month	March 2026	March 2026
Months post securitisation	15	15
Pool amortisation (as % of initial pool principal)	67.38%	53.74%
PTC amortisation – Series A1(a)/A1 PTC	93.09%	66.49%
Series A1(b) PTC	0.00%	-
Cumulative collection efficiency ¹	94.19%	94.13%
Loss-cum-0+ (% of initial pool principal) ²	5.99%	8.20%
Loss-cum-30+ (% of initial pool principal) ³	4.74%	6.52%
Loss-cum-90+ (% of initial pool principal) ⁴	3.20%	4.78%
Cumulative cash collateral (CC) utilisation	0.00%	0.00%
Cumulative prepayment rate	7.17%	4.73%
Breakeven collection efficiency ⁵ – Series A1(a)/A1 PTC	1.39%	50.92%
Series A1(b) PTC	11.02%	-
CC (% of balance pool)	15.33%	8.65%
Principal subordination (% of balance pool) – Series A1(a)/A1 PTC	65.14%	21.62%
Series A1(b) PTC	38.32%	-
Excess interest spread (EIS; % of balance pool) – Series A1(a)/A1 PTC ⁶	10.78%	13.87%
Series A1(b) PTC	10.04%	-

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)

² POS on contracts aged 0+ dpd/POS on the pool at the time of securitisation

³ POS on contracts aged 30+ dpd/POS on the pool at the time of securitisation

⁴ POS on contracts aged 90+ dpd/POS on the pool at the time of securitisation

⁵ (Balance cash flows payable to investor – CC available)/Balance pool cash flows

⁶ (Pool cash flows – Cash flows to PTC A)/Pool principal outstanding

Transaction structure

Butterfly 12 2024

The transaction has a two-tranche structure. The promised cashflow schedule for Series A1(a) and Series A1(b) PTCs on a monthly basis will comprise the interest (at the pre-determined yield on pari-passu basis) on the outstanding PTC principal on each payout date and the entire principal on the final maturity date for both series of PTCs. On each payout date till July 15 2026, after meeting the promised Series A1(a) and Series A1(b) PTCs interest payouts, the balance collections would be used to make the expected principal payouts to Series A1(a) PTC till its redemption, followed by the expected principal payouts to Series A1(b) PTCs. On each payout date from July 16, 2026, after meeting the promised Series A1(a) and Series A1(b) PTCs interest payouts, the balance collections would be used to make the expected principal payouts to Series A1(a) and Series A1(b) PTCs on a pari-passu basis. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined acceleration events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC. Any prepayment in the pool would be first used for the prepayment of the Series A1(a) PTCs principal till redemption and then for the prepayment of the Series A1(b) principal till redemption.

Bluestreak 12 2024

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined acceleration events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

Key rating drivers and their description

For both the transactions

Credit strengths

Build-up of credit enhancement – The rating action factors in the build-up in the credit enhancement with the cash collateral increasing to 15.33% and 8.65% of the balance pool principal from 5.00% and 4.00% for Butterfly 12 2024 and Bluestreak 12 2024 respectively at the time of securitisation. Internal credit support is also available through principal subordination at 65.14% and 21.62% along with excess interest spread (EIS) of 10.78% and 13.87% of the balance pool principal for Butterfly 12 2024 and Bluestreak 12 2024 respectively.

Moderate pool performance – The pool's performance has been moderate with a cumulative collection efficiency of ~94% till the March 2026 payout month for both Butterfly 12 2024 and Bluestreak 12 2024. This has resulted in moderate delinquencies in the pool with the 90+ days past due (dpd) at 3.20% and 4.78% for Butterfly 12 2024 and Bluestreak 12 2024 respectively.

Contracts backed by self-occupied residential properties – Approximately 94% and 100% of the pool is backed by self-occupied residential properties for Butterfly 12 2024 and Bluestreak 12 2024 respectively. This is expected to support the quality of the pool as it has been observed that borrowers tend to prioritise repayments towards such loans even during financial stress.

Servicing capability of the originator – SFL has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated a considerable track record of regular collections and recovery across a wide geography and multiple economic cycles.

Credit challenges

High geographical concentration – The pool has significant geographical concentration with the top 3 states, comprising ~70% and ~67% of the balance pool principal amount for Butterfly 12 2024 and Bluestreak 12 2024 respectively. The pool’s performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

Risks associated with lending business – The pool’s performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

Key rating assumptions

ICRA’s cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator’s loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA’s cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pools, ICRA has estimated the shortfall in the pool principal collection during its tenure at 5.00% and 7.50% for Butterfly 12 2024 and Bluestreak 12 2024, respectively, with certain variability around it. The average prepayment rate for the underlying pools is modelled in the range of 4.8% to 18% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	Butterfly 12 2024	Bluestreak 12 2024
Originator	Satin Finserv Limited	Satin Finserv Limited
Servicer	Satin Finserv Limited	Satin Finserv Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC Bank	ICICI Bank	ICICI Bank
Collection and payout account bank	ICICI Bank	ICICI Bank

Liquidity position

For Butterfly 12 2024:

For Series A1(a) PTC: Strong

The liquidity for PTC Series A1 is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is ~5.50 times the estimated loss in the pool for Series A1(a) PTC.

For Series A1(b): Strong

The liquidity for Equity Tranche is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is ~4.75 times the estimated loss in the pool for Series A1(b) PTC.

For Bluestreak 12 2024: Adequate

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement is ~2.25 times the estimated loss in the pool for Series A1 PTC.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the ratings.

Analytical approach

The rating action is based on the performance of the pools till March 2026 (payout month), the present delinquency levels and the credit enhancement available in the pools, and the performance expected over the balance tenure of the pools.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

SFL is a non-banking financial company (NBFC) and a wholly-owned subsidiary of SCNL. It offers micro, small and medium enterprise (MSME) loans (retail and wholesale). It had operations in 11 states as on December 31, 2025 and reported an AUM of Rs. 759 crore. On a standalone basis, it reported a net profit of Rs. 3.1 crore in 9M FY2026 compared to Rs. 7.5 crore in FY2025.

SCNL is an NBFC-microfinance institution (NBFC-MFI), primarily offering joint liability group (JLG) loans to women. Apart from SFL, SCNL has three wholly-owned subsidiaries – Satin Housing Finance Limited, Satin Technologies Limited and Satin Growth Alternatives Limit.

Key financial indicators

SFL	FY2024 Audited	FY2025 Audited	9M FY2026 [^] Provisional
Total income	121	127	125
Profit after tax	5	8	3
Total Managed assets	643	687	935
Gross NPA	4.3%	4.8%	4.7%
CRAR	48.0%	37.6%	36.1%

Source: Company, ICRA Research; All ratios as per ICRA's calculations and estimates; Amount in Rs. crore; [^] Limited review financials for 9M FY2025

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust name	Current rating (FY2027)			Chronology of rating history for the past 3 years			
		Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
					Apr 29, 2026	Apr 17, 2025	Dec 31, 2024	-
1	Butterfly 12 2024	Series A1(a) PTCs	16.90	1.17	[ICRA]AA(SO)	[ICRA]AA-(SO)	Provisional [ICRA]AA-(SO)	-
		Series A1(b) PTCs	1.88	1.88	[ICRA]AA-(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-

	Trust name	Current rating (FY2027)			Chronology of rating history for the past 3 years			
		Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
					Apr 29, 2026	Apr 17, 2025	Dec 31, 2024	-
2	Bluestreak 12 2024	Series A1 PTC	25.99	8.71	[ICRA]A+(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Butterfly 12 2024	Series A1(a) PTCs	Highly Complex
	Series A1(b) PTCs	Highly Complex
Bluestreak 12 2024	Series A1 PTC	Highly Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
Butterfly 12 2024	Series A1(a) PTCs	December 26,2024	11.95%	February 15, 2027	1.17	[ICRA]AA(SO)
	Series A1(b) PTCs	December 26,2024	12.40%		1.88	[ICRA]AA-(SO)
Bluestreak 12 2024	Series A1 PTC	December 30,2024	12.00%	April 17, 2028	8.71	[ICRA]A+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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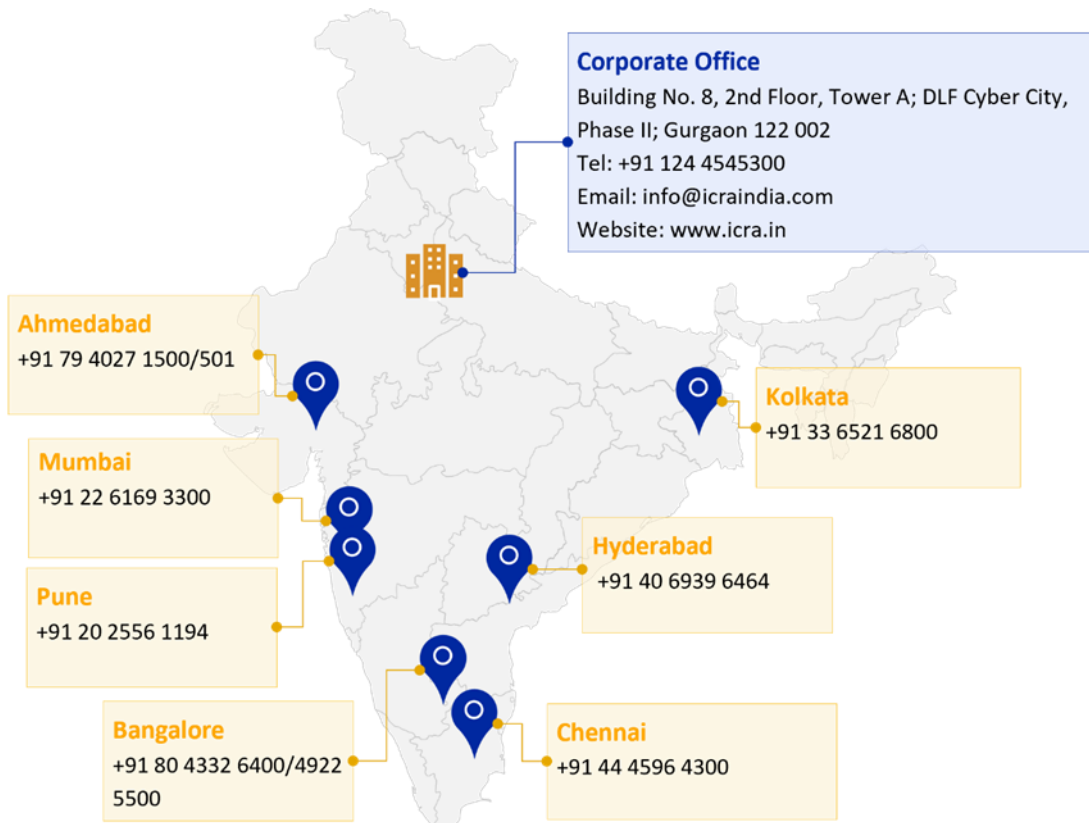
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